Fairfax Coalition for Smarter Growth

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November 12, 2003

Chairman Kate Hanley
Fairfax County Board of Supervisors
Fairfax County Government Center
12000 Government Center Parkway, Suite 503
Fairfax, Virginia 22035

Re: Request for 90-day postponement of BOS decision on Fluor Daniel HOT lane proposal

Dear Chairman Hanley:

In the July-August and September-October issues of our newsletter, the ADVOCATE, the Fairfax Coalition for Smarter Growth has detailed strong misgivings about the proposed Fluor Daniel HOT lane proposal for widening the Beltway. It has come to our attention within the past two weeks that Fluor Daniel is scheduled to present its proposal to the Board of Supervisors between 8-9 am, Monday, November 17, after which the Board will determine whether to support the project. Not only is this rushed a decision highly unusual, but we would strongly urge the Board not to become a party to this VDOT "fast-track" approval process which is effectively precluding any meaningful public participation and could very well be illegal. For these reasons, as well as those explained below, **the Fairfax Coalition requests that the Board of Supervisors request VDOT for a 90-day extension to enable the Board to thoroughly and fairly consider the full impacts of the Fluor Daniel proposal.**

Fluor Daniel submitted its detailed HOT lane proposal to VDOT on October 1, 2003, and referred it to Fairfax County for its comments for a 60-day period which will end November 30th – the Sunday following Thanksgiving weekend! Moreover, **there have been no public hearings, either by VDOT or Fairfax County, on this 12-lane proposal and no hearings are scheduled. The HOT lane proposal was not one of the specific alternatives studied during the Draft Environmental Impact Statement phase for which public hearings were held in May 2002. Public sentiment at those hearings overwhelmingly opposed widening the Beltway in any form.** The Fluor Daniel proposal represents an alternative with much different environmental impacts than any that were evaluated during the DEIS. Therefore, this requires that a comprehensive analysis of this new option be analyzed in its entirety before a responsible decision can be made as to its functional and environmental suitability.

Also, following the November 4th elections, there are two new BOS members. Is it appropriate for the outgoing combination of supervisors to lock in the new Board members to a decision that can just as easily be postponed until the new members are seated and have an opportunity to consider the public's views? After all, the whole purpose of elections is to reflect the current will of the voters and to bring a fresh perspective to issues the Board faces.

Finally, as you might recall, one of the many transportation projects included in the ½ cent sales tax referendum defeated in November 2002 was funding for Beltway "improvements" that Fluor

Daniel was counting on to provide some of the local share for their HOT lane project. One of the reasons voters rejected that referendum was that some of the projects were ill defined -- and that was certainly true for the Beltway HOT lane project. We hope the Board will bear this in mind as you weigh the merits of the Fluor Daniel project on behalf of your constituents.

Substantive Concerns

As noted above, two recent issues of the ADVOCATE have laid out many of the Fairfax Coalition's concerns regarding the Fluor Daniel proposal. These are briefly described below:

1. **Too Costly** – When estimated interest costs of $147 million are added to the project's capital costs of $693 million, the total project costs are at least $840 million for a 10-mile stretch of the Beltway, or over $84 million per mile. Light rail transit (LRT) can serve several thousands more people for approximately $25 million per mile, as LRT project experience in at least 10 other U.S. cities has repeatedly demonstrated. That means Virginia Department of Transportation could build more than three miles of LRT for every mile it is costing to build HOT lanes!! Moreover, this figure does not include the costs for managing the toll system or enforcement of the HOT lane requirements.
2. **Less Effective Than LRT Alternative** – HOT lanes can move a maximum of 4,000 vehicles per hour in two lanes moving in the primary direction of traffic flow during rush hour. LRT running with 4-car trains and 2-minute headways has a maximum capacity of over 14,000 passengers per hour. Even allowing for some single-track sections along the LRT route and cutting the number of passengers in half, it is still almost twice as effective as HOT lanes in moving people (not cars).
3. **Safety Issues** -- Drivers of single occupancy vehicles (SOVs), carpool and van pool vans, and buses must first move across four regular lanes of Beltway traffic to reach the inner two HOT lanes and then must cross back over the same four lanes upon exiting the HOT lanes to reach their exit ramp. Next, the exiting HOT lane vehicles will create a "funnel effect" at the exit ramps as both they and vehicles from the regular lanes come together at the exit. This will undoubtedly require at least lengthening the existing de-acceleration lanes and off ramps to accommodate the combined traffic trying to exit. Once at the top of the off ramp or in merging with the crossing roads, all the exiting vehicles will be forced into the existing widths of the existing roadways, since there are no funds budgeted in the Fluor Daniel proposal for widening the existing cross roads.
4. **Mass Transit Myth** – Fluor Daniel indicates that HOV-2 or HOV-3 vehicles, vanpools, and buses will be allowed to use the HOT lanes at no charge. While this may sound promising, there are no funds in its proposal for the purchase, let alone the operation and maintenance, of transit buses. These become the responsibility of Fairfax County to fund, proving the point that simply laying down four lanes of concrete without providing for the buses is not "mass transit". Also, note that once "express buses" or BRT exit the Beltway HOT lanes, they are no longer on exclusive rights-of-way and will quickly become bogged down in local traffic on the cross roads. Finally, nowhere in the Fluor Daniel proposal could we find how any of the toll revenue needed to amortize the federal loan or

the privately issued revenue bonds could be used to pay for the capital costs of acquiring buses, let alone subsidzing their operation and maintenance.

5. **Economic Development** – Based on experience elsewhere in the U.S., there are very few permanent economic benefits that result from HOT lanes. One of the reasons is that lanes that may be HOT lanes today may be acquired by VDOT next year if they are found not to be working, or motorists in the regular lanes exert political pressure to convert the HOT lanes to HOV or regular lanes. Another reason is that any temporary respite from traffic gridlock that HOT lanes may provide are quickly lost as "induced demand" occurs leading more drivers to use the regular lanes who were not using them prior to the opening of the HOT lanes. The result of both these effects is that there is little certainty as to how permanent the HOT lanes will be. However, there is certainty that there will be more air pollution as more vehicles are introduced to the road and traffic gridlock resumes. It has been shown in city after city that developers, builders, and businesses prefer the certainty of a fixed rail line before they will risk millions of dollars in constructing new buildings along it route. The same impetus does not pertain to bus lines, HOT lanes, or HOV lanes. Moreover, increased property value assessments and the resulting increased property tax revenues (even with the same tax rate) generate sufficient revenue to all but pay for the capital costs and a major portion of the O&M costs of a new rail line. [Note: The funds Arlington invested in Metrorail in the early 1970s have averaged an annual 19% return on their initial investment every year for the past 30 years, while keeping the county's tax rate below $1.00 per hundred dollars of assessed value.]
6. **Stormwater Runoff** – Twelve lanes are 12 lanes! These would be a 50% increase in the impervious surface within the Beltway Corridor that will pour into such streams as Accotink Creek and Holmes Run that already suffer from too much runoff from parking lots and roads and the storm "flushes" that scour the stream bottom of any vegetation that could accommodate fish and other stream life. Since urban runoff is one of the two principal sources of continuing pollution in the Chesapeake Bay (agricultural runoff being the other), do we really want to add further to this problem?
7. **Canyon Effect Created** – People driving the Beltway from Braddock Road east towards the Springfield Interchange and on to Van Dorn Street realize that they no longer observe any significant vegetation within the Beltway right-of-way. The12 plus lanes (including on- and off-ramps) occupy the entire right-of-way from one 30-foot sound barrier to the other. The result is a sterile "Canyon Effect" that no longer provides a "parkway" experience like the Beltway still does north of Braddock Road. This is not just an aesthetic issue; it is a "heat island" issue and a contributor to global climate change as trees that were once sequestering carbon dioxide are eliminated. This does not even begin to address the "stress factor" that driving in a sea of wall-to-wall pavement and automobiles has when there is no relaxing vegetation within sight. This constitutes an important "quality of life" issue and is not just a transportation issue.
8. **Minimal Immediate Economic Stimulus** – As Virginia and Fairfax County seek to come out of their current economic recession, the fact that a noncompetitive contract of this magnitude would be awarded to a company with no physical

presence in the county means that Fairfax loses most of the "economic multiplier effect" created when every dollar spent is spent several more times within the county and state before it leaves the state. Rather, under Fluor Daniel's proposal, its management fees, profit, and much of its construction revenue goes straight to its corporate headquarters outside Virginia, similarly to Wal-Mart. The only real benefits that the community will reap will be in the work subcontracted to local firms based in Virginia. What is the projected value of this work and should VDOT and the county demand that more components of this project be subcontracted to local firms?

Procedural Concerns

There are several other aspects of the Fluor Daniel proposal that ought to be a cause for concern among those responsible for reviewing and assessing its desirability. Several of these are cited below.

1. **Non-Competitive Contracting** – The fact that no other company sought to compete on an $840 million project in a recession ought to raise some questions. Since Fluor Daniel had spent the previous 12-18 months negotiating in secret with the Virginia Department of Transportation, was it not surprising that other prospective competitors figured that the project was already "wired" and did not want to waste their resources preparing a competitive bid. Virginia and Fairfax County ought not follow this non-competitive example in their public contracting?
2. **Non-Compete Clause** – If Fluor Daniel's proposed contract for building the HOT lanes on the Beltway stays true to form with its other HOT lanes contracts in at least four other states, it will insist on a non-compete clause that precludes "directly competing enhancements" along the Beltway during the 30-year period that the revenue bonds are being amortized. Fluor Daniel will cite their supposed need to ensure their revenue bond underwriters that there will be no other competing transportation "enhancements" (read "rail transit") permitted in the Beltway Corridor over the life of the bonds. This means, in effect, that LRT, Metrorail, or even widening of the regular lanes, would be precluded from this corridor for 30 years. Is the Board of Supervisors prepared to arbitrarily limit such projects in the Beltway Corridor for the next 30 years?
3. **Self-Financing Myth**– While Fluor Daniel is making available its balance sheet for the purpose of floating revenue bonds on the private market, the company is by no means bearing the full risk nor solely financing this project. First, it calls for a public investment of at least $91 million from state and local sources to pay for part of the construction costs. Second, Fluor Daniel will not be responsible for toll collection, maintenance, or enforcement of the HOT lanes unless VDOT wants to contract separately with the company for these services. Fluor Daniel will receive, however, its construction costs plus a fee for managing the highway widening construction. Third, Fluor Daniel also is asking VDOT to provide any "gap financing" that may result should ongoing tolls fail to generate sufficient

cash flow to offset construction costs or its revenue bond repayment obligations. This hardly looks like a "self-financing" operation!

4. **Public Involvement** – The obvious question is "Where is it?" The last public hearings on the Beltway widening were in May 2002 during the week of Memorial Day at which the public clearly expressed its views in opposition to all the alternatives presented by VDOT. The HOT lane proposal represents another alternative that was not considered then nor discussed with the public since those hearings. Therefore, the public needs an opportunity to consider this new alternative, and it should not be assumed by VDOT or any other public governing body that this is simply a "slight" modification in an alternative that was already considered (and rejected by citizens).
5. **Genuine Alternatives Review** – Because Fluor Daniel is proposing a new alternative to widening the Beltway, and VDOT has opened up its DEIS for its consideration, then other previously and prematurely discarded alternatives need to be placed on the table as well in light of this new analysis. This specifically means LRT that would adhere more closely to the Beltway alignment than any of the LRT routes selected in the "Albo Study" conducted by the Virginia Department of Rail and Public Transit in 2002. That study never considered the LRT alignment recommended to Board of Supervisor, VDOT, or the study's policy committee by the Fairfax Coalition for Smarter Growth and other citizens at the time. No explanation was ever given for this exclusion, but we do know that the $1.2 billion cost ($120 million per mile) for LRT projected by the consultant for a 10-mile stretch of the Beltway bears no resemblance to the average of $25 million per mile for almost ever LRT system built in the U.S. in the last decade. Is there reason to take another look at a more realistic LRT alignment (e.g., that does not run it underground through Annandale!) for the Beltway using actual costs from comparable LRT systems? We think there is and hope the Board believes so too.

The Fairfax Coalition submits that the above concerns offer more than sufficient reason for the current Board of Supervisors to request at least a 90-day extension from VDOT to further review the financial and environmental impacts of this enormous project and give new Board members enough time to familiarize themselves with the issues and to fully engage their constituents in the comment period.

Thank you for considering this request.

Sincerely,

Paul S. Hughes

Paul S. Hughes
President